

Registered number: 08711161

BILLING BROOK SCHOOL ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

BILLING BROOK SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2014

Member Trustees	Mr A K Grainger (appointed 30 September 2013) ^{1,2,3,4} Mr G H Marriott, Chairman (appointed 30 September 2013) ^{2,3,4} Mrs L A Bailey (appointed 30 September 2013) ²
Other Trustees	Mrs D J Withers (appointed 1 October 2014) Mr M Courtney (appointed 1 October 2014) ^{1,2,3} Mrs C M Grant, Head Teacher (appointed 1 December 2013) Mrs J Ayres (appointed 1 December 2013) ^{1,2} Mrs C White (appointed 24 January 2014) Mrs M Rolph (appointed 1 December 2013) ¹ Ms T J Moulton (appointed 1 December 2013) ² Mrs M Stanton (appointed 24 January 2014) Mrs W Hunter (appointed 1 December 2013, resigned 16 July 2014) ^{2,3} Mrs H Lynett (appointed 1 December 2013, resigned 4 April 2014) ¹ Mr M J Lister (appointed 1 October 2014)
	<p>1 Member of finance and personnel committee 2 Member of teaching and learning committee 3 Member of premises/health and safety committee 4 Member of pay and disciplinary committee</p>
Company registered number	08711161
Principal and registered office	Penistone Road Lumbertubs Northampton NN3 8EZ
Company secretary	Mrs H Lynett
Senior management team	C M Grant, Head Teacher T Moulton, Senior Deputy Head K Lantsbery, Deputy Head L McCormac, Assistant Head N Kennedy, Assistant Head
Independent auditor	MHA MacIntyre Hudson Chartered Accountants Statutory Auditors Peterbridge House The Lakes Northampton NN4 7HB

BILLING BROOK SCHOOL ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS**
FOR THE PERIOD ENDED 31 AUGUST 2014

Administrative details (continued)

Bankers	Lloyds Bank Northampton NN1 1DJ
Solicitors	Friday Legal Medicott Close Corby Northamptonshire NN18 9NF

BILLING BROOK SCHOOL ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2014

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditor's report of Billing Brook School Academy Trust (the academy trust and the group) for the period 30 September 2013 to 31 August 2014. The trustees confirm that the Annual report and financial statements of the academy trust and the group comply with the current statutory requirements, the requirements of the academy trust and the group's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 19 serving a catchment area covering Northampton Town and South Northamptonshire. It has a planned place pupil capacity of 192 and had a roll of 192 in the school census on January 2014.

The financial statements consolidate the results of the academy and the Billing Brook School Fund, a separate registered charity, as set out in the accounting policies on page 26.

Structure, governance and management

CONSTITUTION

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company was incorporated on 30 September 2013 and converted to academy status on 1 December 2013.

The trustees of Billing Brook School Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Billing Brook School Academy Trust. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

TRUSTEES' INDEMNITIES

The Academy through its Articles has indemnified its Trustees and Governors to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Governors and Trustees. Full details can be found in note 12 to the Accounts.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

During the period under review the trustees held 3 Full Governor meetings. Each sub committee has met a number of times during the period each meeting at least once a term. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. During the period 1st December 2013 to 31st August 2014 there were no new Members appointed but two new governors were appointed. The governing body are entitled to appoint new trustees as and when necessary. Recruitment to fill governor vacancies is achieved through information sent home to parents and carers, advertising on staff noticeboards, through county council governor recruitment and by liaison with large local companies.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The training and induction provided for new Trustees and Governors will depend on their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. The outcome of training is for new Trustees and Governors is to allow them to contribute effectively to both the main Governing body and to any sub committee to which they belong. The academy budget contains money set aside to fund this training.

ORGANISATIONAL STRUCTURE

During the period, the Academy maintained the management structure that was in place before conversion to academy status but with three governors becoming Members. The structure now consists of three levels the Members, the Senior Leadership team and the Governors/Trustees. However at an operational level the Trustees and Governors operate on a joint basis. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees and Governors are responsible for monitoring general policy, adopting an annual plan and budget, monitoring the Academy by use of budgets and making major decisions about the direction of the Academy, major capital expenditure and senior staff appointments.

The Senior Leadership Team is the Head Teacher, two Deputy Heads and two Assistant Heads.

The Head Teacher is the accounting officer.

The details of the sub committees and their purpose can be found in the Governance statement which begins on page 9.

RISK MANAGEMENT

The trustees have assessed the risks to which the Academy could be exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances. Examples of areas covered are teaching, Health and Safety, school visits, vetting of staff and visitors and financial control. Where significant financial risk still remains the Academy has ensured they have adequate insurance cover.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Academy runs satellite provision on two other sites, both located at mainstream schools. The academy does not own the premises, but pays rent for facilities. All pupils who attend daily at the satellite are on the roll of Billing Brook School Academy Trust. The Academy is responsible for management and financing of the satellites. The premises at the satellite site are not part of the Academy assets and are the property of third parties, namely Abbeyfield School (Creative Education Academies Trust) and The Grange School, Daventry (Northamptonshire County Council).

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

Objectives and Activities

OBJECTS AND AIMS

The principal object and activity of the Academy Trust is to provide special educational provision to pupils between the ages 3 -19 at the Academy for one or more categories of Special Educational Need.

The categories may include, but are not limited to:-

ASD	Autistic Spectrum Disorder
SLD	Severe Learning Difficulty
MLD	Moderate Learning Difficulty
SLCN	Speech Language Communication Needs
PD	Physical Disability
HI	Hearing Impaired
VI	Visually Impaired

In accordance with the Articles of association the Charitable Company has adopted a Scheme of Governance approved by the Secretary of State for Education and Skills. The Scheme of Governance specifies, amongst other things, the basis of admitting students to the Academy.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives of the Academy during the period to 31 August 2014 are summarised below

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- to raise the standard of educational achievement for all pupils
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- to provide value for money for the funds expended
- to comply with statutory requirements
- to conduct the Academy's business in accordance with the highest standards of integrity and probity

The Academy's main strategy is encompassed in "Our Vision Document"

Billing Brook School Academy Trust will be known for providing a creative learning environment where pupils and staff are respected, valued and encouraged to be the very best they can be.

During the accounting period the pupils have made outstanding academic progress in the core subject areas, as compared to the national progression guidance. Pupils at key stage 4 & 5 leave the academy with a wide range of appropriate accreditation which includes Entry level; INGOTS; ASDAN; PPQ; Aim Award; Transition Challenge; City & Guilds.

The premises continue to be upgraded and improved, recent developments include the improvement of the horticulture area; primary playground facilities; general decorations; replacement of mobiles with a permanent modular two classroom build

PUBLIC BENEFIT

The Academy provides educational services to children in the local and wider area. The premises are used by local community groups. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have regard to public benefit guidance provided by the Charities Commission.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

Group strategic report

Achievements and performance

The Academy uses several national recognised assessment and comparison tools including Baseline assessments; CASPA, P Scales, National Progression Guidance; Transition Matrices and externally accredited qualifications.

Additional monies via the pupil premium forms part of the Academy finances. The principles of the grant are for a school to target pupils who are 'socially disadvantaged'. Nationally Free School Meals (FSM) issued are used to allocate the Premium as statistically pupils on FSM achieve lower than expected when compared to other pupils. In this Academy the children on FSM indicates they are performing as well as other pupils. Pupil premium monies are used to support the individual achievement of the pupils by providing specific academic and social opportunities to further impact on their achievement. During this accounting period activities included additional speech & language therapy; music therapy; literacy and numeracy development and alternative approaches to recognising achievement, success and a feeling of improved self worth and self esteem.

GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

FINANCIAL REVIEW

The majority of the Academy's income is obtained for the EFA and the local education authority in the form of recurrent grants. The grants received during the period to 31 August 2014 and the associated expenditure are shown in the statement of financial activities. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income funds.

During the period to 31 August 2014, total revenue expenditure of £2,444,996 (excluding depreciation and loss on disposals) was more than covered by the recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds, amounts on conversion and actuarial gains or losses) was £84,191.

PRINCIPAL RISKS AND UNCERTAINTIES

The implementation of local authority funding reform has had an impact on the Academy budget and future budgets. The impact for future years is unknown. Creative education Academies Trust has given notice to the Abbeyfield Satellite based there which entails finding either alternative accommodation or increasing classroom capacity on the main site, as they require the premises to be returned to their own use. This has considerable financial implications.

There are plans to build two Special Free Schools, one in the Kingsthorpe area of Northampton and the other in Daventry, both may also have an impact on pupil numbers and possibly staff retention which again will have financial implications.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

RESERVES POLICY AND FINANCIAL POSITION

The Governors review the reserve levels of the Academy annually.

The restricted carry forward (excluding fixed asset funds and the pension deficit) totals £693,631. This is currently earmarked to support both the development of the premises, by using some monies to support a capital projects to address the need for specialist facilities and more classroom space on the main site; the development of more appropriate facilities on the Daventry site and the development of a secondary playground. Other monies will be spent on curriculum development.

The Academy's current level of free reserves (total funds less the amounts held in fixed assets and restricted funds) is £7,275. This is held to pay for ongoing day to day items, in line with established procedure and acceptable carry forward limits.

INVESTMENTS POLICY

The academy currently does not have an investment scheme due to the first year of becoming an academy. Consideration will be given to this over the next year.

Plans for Future Periods

The Academy will continue to strive to improve the levels of performance of its students at all levels and will continue its efforts to ensure transition to the appropriate further education or work within a training environment for its students.

In addition to improving the educational opportunities and life chances for all the pupils, the Academy will continue to seek appropriate collocated mainstream premises for our secondary pupils currently based at the secondary satellite.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The academy does not act as Custodian or hold funds on behalf of others.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

AUDITOR

The auditor, MHA MacIntyre Hudson, has indicated its willingness to continue in office. The Designated trustees will propose a motion re-appointing the auditor at a meeting of the trustees.

This report, incorporating the Group strategic report, was approved by order of the board of trustees, as the company directors, on 16th December 2014 and signed on the board's behalf by:



Mr G H Marriott
Chair of Trustees

BILLING BROOK SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Billing Brook School Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Headteacher, Mrs C M Grant, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Billing Brook School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 3 times during the period 1 December 2013 to 31 August 2014. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr G H Marriott, Chairman (appointed 30 September 2013)	3	3
Mrs M Rolph (appointed 1 December 2013)	3	3
Mrs C M Grant, Head Teacher (appointed 1 December 2013)	3	3
Mrs L A Bailey (appointed 30 September 2013)	2	3
Mr A K Grainger (appointed 30 September 2013)	3	3
Ms T J Moulton (appointed 1 December 2013)	2	3
Mrs M Stanton (appointed 24 January 2014)	2	3
Mrs C White (appointed 24 January 2014)	2	2
Mrs J Ayres (appointed 1 December 2013)	3	3
Mrs W Hunter (appointed 1 December 2013, resigned 16 July 2014)	1	3
Mrs H Lynett (appointed 1 December, resigned 4 April 2014)	1	2
Mr M J Lister	0	0

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GOVERNANCE STATEMENT (continued)

The Academy also has committees for Finance & Personnel, Teaching & Learning, Premises/Health & Safety and Pay & Disciplinary.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Finance & Personnel		
Mr K Grainger (Chair)	4	4
Mrs J Ayres	4	4
Mrs C Grant	4	4
Mrs H Lynett	1	1
Mrs M Rolph	4	4
Teaching & Learning		
Mrs L Bailey (Chair)	2	3
Mrs C Grant	3	3
Mr K Grainger	3	3
Mr G Marriott	3	3
Mrs T Moulton	3	3
Mrs J Ayres	3	3
Mrs W Hunter	1	3
Premises/Health & Safety		
Mr G Marriot (Chair)	3	3
Mrs C Grant	3	3
Mr K Grainger	1	3
Mrs W Hunter	1	3
Pay & Disciplinary		
Mr K Grainger (Chair)	1	1
Mr G Marriot	1	1

The purposes of the Sub-Committees are as follows:

Finance

To oversee the financial management of the school. The financial management role is an important part of the Governors' overall brief to ensure that children in the school receive the best education possible. In seeking to improve the experience of children within the school, the Governors' need to consider how to get the best value out of the resources they spend, and this is the job of this Committee specifically.

The finance committee also undertakes the role of the audit committee.

Personnel

To ensure that the Academy has excellent and well-motivated teaching and non-teaching staff looking after our children. To do that, the Committee takes an active role in the appointment of the Head Teacher and Deputies, and ensures that all staff develop their skills through training and that their performance is regularly reviewed.

Teaching and Learning

Their priority is to ensure that the Academy delivers the highest standards of teaching and learning for all of our children. The teaching & Learning Committee meets at least once a term to guide, monitor and evaluate the delivery of the curriculum and standards of teaching and learning. They check that teaching quality is monitored and that staff development is implemented, and they evaluate the strategies being implemented to improve attainment.

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GOVERNANCE STATEMENT (continued)

Premises/ Health & Safety

The Committee have a role in the good governance of the Academy, their role being to ensure that the buildings and grounds of the school are kept in excellent condition and in line with health and safety policies and procedures. They do this in consultation with the Headteacher, taking into account the School Development & Improvement Plan; the premises plan and the accessibility plan, all linked to the curriculum and improvement of our community.

Pay and Disciplinary

To review staff pay recommendations from the Headteacher in line with the school's adopted Pay Policy and provide staff with an individual pay statement. The committee have the authority to authorise staff incremental points and other pay increases.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Billing Brook School Academy Trust for the period 30 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the period 30 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and other committees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed MHA MacIntyre Hudson, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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GOVERNANCE STATEMENT (continued)

There were no material control or other issues reported by the reviewer or the previous School Business manager.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher, Mrs C M Grant has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

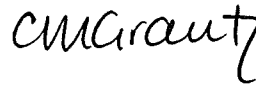
- the work of the Responsible Officer
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance and other committees and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on ^{16th} ~~December~~ ²⁰¹⁴ and signed on its behalf, by:



Mr G H Marriott
Chair of Trustees



Mrs C M Grant
Head teacher & Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Billing Brook School Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the academy trust board of trustees are able to identify any material, irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook (2013).

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.

CMGrant

Mrs C M Grant
**Headteacher & Accounting
Officer**

Date: *16th December 2014*

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**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014**

The trustees (who act as governors of Billing Brook School Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Group strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company and the group applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on *16th December 2014* and signed on its behalf by:



Mr G H Marriot
Chair of Trustees

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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF BILLING BROOK SCHOOL ACADEMY TRUST

We have audited the financial statements of Billing Brook School Academy Trust for the period from 30 September 2013 to 31 August 2014 which comprise the group Statement of financial activities, the group and academy trust Balance sheets, the group Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' responsibilities statement, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable academy trust's affairs as at 31 August 2014 and of the group's incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Group strategic report, for the

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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF BILLING BROOK SCHOOL ACADEMY TRUST

financial period for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the Group and parent charitable academy has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the Group and parent charitable academy financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Elaine Olson-Williams FCCA (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB
Date:

19 July 2017

BILLING BROOK SCHOOL ACADEMY TRUST

(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BILLING BROOK SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 21 July 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Billing Brook School Academy Trust during the period 01 December 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Billing Brook School Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Billing Brook School Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Billing Brook School Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF BILLING BROOK SCHOOL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Billing Brook School Academy Trust's funding agreement with the Secretary of State for Education dated 28 November 2013, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 01 December 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

BILLING BROOK SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BILLING
BROOK SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.
- A review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy.
- Testing a sample of payroll payments to staff. Testing of a sample of payments to suppliers and other third parties.
- Testing a sample of grants received and other income streams.
- Evaluating the internal control procedures and reporting lines, and testing as appropriate.
- Reviewing the information in the Financial Management and Governance Self-assessment (FMGS) return
- Making appropriate enquiries of the Accounting Officer.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 01 December 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: 19 July 2014

BILLING BROOK SCHOOL ACADEMY TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income - transferred from local authority on conversion	2	-	(183,285)	5,289,136	5,105,851
Other voluntary income	2	710	45,270	-	45,980
Activities for generating funds	3	6,180	-	-	6,180
Investment income	4	385	-	-	385
Incoming resources from charitable activities	5	-	2,666,258	292,753	2,959,011
TOTAL INCOMING RESOURCES		7,275	2,528,243	5,581,889	8,117,407
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income		-	38,206	-	38,206
Charitable activities	7	-	2,395,540	215,685	2,611,225
Governance costs	8	-	11,250	-	11,250
TOTAL RESOURCES EXPENDED	6	-	2,444,996	215,685	2,660,681
NET INCOMING RESOURCES BEFORE TRANSFERS		7,275	83,247	5,366,204	5,456,726
Transfers between Funds	19	-	(189,616)	189,616	-
NET INCOME FOR THE PERIOD		7,275	(106,369)	5,555,820	5,456,726
Actuarial gains and losses on defined benefit pension schemes		-	(249,000)	-	(249,000)
NET MOVEMENT IN FUNDS FOR THE PERIOD		7,275	(355,369)	5,555,820	5,207,726
Total funds at 30 September 2013		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2014		7,275	(355,369)	5,555,820	5,207,726

All of the group's activities derive from acquisitions in the current financial period.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 25 to 47 form part of these financial statements.

BILLING BROOK SCHOOL ACADEMY TRUST
 (A company limited by guarantee)
 REGISTERED NUMBER: 08711161

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £
FIXED ASSETS			
Tangible assets	14		5,273,007
CURRENT ASSETS			
Stocks	15	2,594	
Debtors	16	402,196	
Cash at bank and in hand		686,034	
		<u>1,090,824</u>	
CREDITORS: amounts falling due within one year	17	<u>(83,863)</u>	
NET CURRENT ASSETS			<u>1,006,961</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,279,968</u>
CREDITORS: amounts falling due after more than one year	18		<u>(23,242)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			<u>6,256,726</u>
Defined benefit pension scheme liability	25		<u>(1,049,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>5,207,726</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	19	693,631	
Restricted fixed asset funds	19	5,555,820	
		<u>6,249,451</u>	
Restricted funds excluding pension liability			
Pension reserve	25	<u>(1,049,000)</u>	
Total restricted funds			5,200,451
Unrestricted funds	19		<u>7,275</u>
TOTAL FUNDS			<u><u>5,207,726</u></u>

BILLING BROOK SCHOOL ACADEMY TRUST
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 AUGUST 2014

The financial statements were approved by the trustees, and authorised for issue, on
16th December 2014 and are signed on their behalf, by:



Mr G H Marriott
Chair of Trustees

The notes on pages 25 to 47 form part of these financial statements.

BILLING BROOK SCHOOL ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08711161

ACADEMY TRUST BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £
FIXED ASSETS			
Tangible assets	14		5,273,007
CURRENT ASSETS			
Stocks	15	2,594	
Debtors	16	402,196	
Cash at bank and in hand		663,451	
		<u>1,068,241</u>	
CREDITORS: amounts falling due within one year	17	<u>(83,863)</u>	
NET CURRENT ASSETS			<u>984,378</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,257,385</u>
CREDITORS: amounts falling due after more than one year	18		<u>(23,242)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			<u>6,234,143</u>
Defined benefit pension scheme liability	25		<u>(1,049,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>5,185,143</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	19	671,047	
Restricted fixed asset funds	19	5,555,821	
		<u>6,226,868</u>	
Restricted funds excluding pension asset			
Pension reserve		<u>(1,049,000)</u>	
Total restricted funds			<u>5,177,868</u>
Unrestricted funds	19		<u>7,275</u>
TOTAL FUNDS			<u><u>5,185,143</u></u>

BILLING BROOK SCHOOL ACADEMY TRUST
(A company limited by guarantee)

ACADEMY TRUST BALANCE SHEET (continued)
AS AT 31 AUGUST 2014

The financial statements were approved by the trustees, and authorised for issue, on *16th December 2014* and are signed on their behalf, by:



Mr G H Marriott
Chair of Trustees

The notes on pages 25 to 47 form part of these financial statements.

BILLING BROOK SCHOOL ACADEMY TRUST
(A company limited by guarantee)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014

	Note	2014 £
Net cash flow from operating activities	21	255,607
Returns on investments and servicing of finance	22	385
Capital expenditure and financial investment	22	(199,556)
Cash transferred on conversion to an academy trust	24	632,918
CASH INFLOW BEFORE FINANCING		689,354
Financing	22	(3,320)
INCREASE IN CASH IN THE PERIOD		686,034

All of the cash flows are derived from acquisitions in the current financial period.

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2014

	2014 £
Increase in cash in the period	686,034
Cash outflow from decrease in debt and lease financing	3,320
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	689,354
Salix loan introduced on conversion	(33,203)
MOVEMENT IN NET FUNDS IN THE PERIOD	656,151
NET FUNDS AT 31 AUGUST 2014	656,151

The notes on pages 25 to 47 form part of these financial statements.

BILLING BROOK SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

BILLING BROOK SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the academy trust's educational operations.

Governance costs include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Basis of consolidation

The financial statements consolidate the accounts of Billing Brook School Academy Trust and The Billing Brook School Fund, a charity registered with the Charities Commission (Registered Charity Number 1061258).

The academy trust has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The policy with respect to impairment reviews of fixed assets is that a review is carried out if events or changes in circumstances indicate that the book value of the fixed asset may not be recoverable.

BILLING BROOK SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land and buildings	-	125 years straight line/50 years straight line or over useful life if lower
Motor vehicles	-	5 years straight line
Fixtures and fittings	-	5 years straight line
Computer equipment	-	3 years straight line

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.8 Stock

Unsold uniforms are valued at the lower of cost or net realisable value.

1.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

BILLING BROOK SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.11 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Northamptonshire County Council to the academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Billing Brook School Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

1.12 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education / Education Funding Agency.

BILLING BROOK SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Voluntary income - transferred from local authority on conversion	-	5,105,851	5,105,851
Donations	710	22,481	23,191
School fund income	-	22,789	22,789
Subtotal	710	45,270	45,980
Voluntary income	710	5,151,121	5,151,831

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Site facility recharges	6,180	-	6,180

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Investment income	385	-	385

BILLING BROOK SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
DfE/EFA revenue grants			
General annual grant (GAG)	-	1,411,038	1,411,038
Other DfE/EFA grants	-	13,655	13,655
Pupil premium	-	51,862	51,862
Capital grants	-	292,753	292,753
	<hr/>	<hr/>	<hr/>
	-	1,769,308	1,769,308
Other government grants			
Local authority grants	-	1,179,005	1,179,005
	<hr/>	<hr/>	<hr/>
	-	1,179,005	1,179,005
Other funding			
School direct income	-	5,802	5,802
Other income	-	4,896	4,896
	<hr/>	<hr/>	<hr/>
	-	10,698	10,698
	<hr/>	<hr/>	<hr/>
	-	2,959,011	2,959,011
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BILLING BROOK SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

6. RESOURCES EXPENDED

	Staff costs	Non Pay Premises	Expenditure Other costs	Total
	2014	2014	2014	2014
	£	£	£	£
Costs of generating voluntary income	-	-	38,206	38,206
Costs of generating funds	-	-	38,206	38,206
Educational operations	1,795,019	-	119,954	1,914,973
Support costs - Educational operations	211,312	71,541	413,399	696,252
Charitable activities	2,006,331	71,541	533,353	2,611,225
Governance	-	-	11,250	11,250
	2,006,331	71,541	582,809	2,660,681

BILLING BROOK SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

7. CHARITABLE ACTIVITIES

	Total funds 2014 £
DIRECT COSTS	
Wages and salaries	1,485,157
National insurance	85,068
Pension cost	224,794
Educational supplies	95,354
Staff development	17,242
Examination fees	7,358
	<hr/>
	1,914,973
SUPPORT COSTS	
Wages and salaries	174,074
National insurance	10,542
Pension cost	26,696
Depreciation	133,233
FRS17 finance cost	22,000
Recruitment costs	968
Insurance	24,450
Technology costs	30,229
Maintenance of premises and equipment	30,841
Cleaning	7,339
Rent and rates	3,653
Light and heat	17,750
Security and transport	1,903
Catering	572
Office overheads	11,958
Legal and professional fees	24,480
Loss on disposal of fixed assets	82,452
Other costs	93,112
	<hr/>
	696,252
	<hr/>
	2,611,225
	<hr/> <hr/>

BILLING BROOK SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

8. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Governance Auditors' remuneration	-	7,500	7,500
Governance Legal and professional costs	-	3,750	3,750
	<u>-</u>	<u>11,250</u>	<u>11,250</u>
	<u>-</u>	<u>11,250</u>	<u>11,250</u>

9. NET INCOMING RESOURCES

This is stated after charging:

	2014 £
Depreciation of tangible fixed assets: - owned by the charitable group	133,233
Auditor's remuneration	7,500
Operating lease rentals: - other operating leases	9,000
	<u>149,733</u>

10. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £
Wages and salaries	1,633,235
Social security costs	95,610
Other pension costs (Note 25)	251,490
	<u>1,980,335</u>
Supply teacher costs	25,996
	<u>2,006,331</u>

BILLING BROOK SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

10. STAFF (continued)

b. Staff numbers

The average number of persons employed by the academy trust during the period expressed as full time equivalents was as follows:

	2014 No.
Teachers	31
Support Staff	58
Management	5
	<hr/> 94 <hr/> <hr/>

c. Higher paid staff

The number of employees whose emoluments exceeded £60,000 during the period was:

	2014 No.
In the band £60,001 - £70,000	<hr/> 1 <hr/> <hr/>

The above employee participated in the Teacher's Pension Scheme. During the period ended 31 August 2014, employer's pension contributions for this staff member amounted to £9,529.

11. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, from the academy trust in respect of their role as trustees. The value of trustees' remuneration including pension contributions fell within the following bands:

	2014 £
Mrs C M Grant (Headteacher)	75,000-80,000
Trustee 1	45,000-50,000
Trustee 2	10,000-15,000

During the period, no trustees received any reimbursement of expenses.

BILLING BROOK SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2014 was £1,219. The cost of this insurance is included in the total insurance cost.

13. OTHER FINANCE COST

	2014 £
Expected return on pension scheme assets	21,000
Interest on pension scheme liabilities	(43,000)
	<u>(22,000)</u>

14. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Group and academy trust					
Cost					
At 30 September 2013	-	-	-	-	-
Additions	141,882	-	30,793	26,881	199,556
Transferred on conversion	5,143,000	23,000	37,840	85,296	5,289,136
Disposals	(86,629)	-	-	-	(86,629)
At 31 August 2014	<u>5,198,253</u>	<u>23,000</u>	<u>68,633</u>	<u>112,177</u>	<u>5,402,063</u>
Depreciation					
At 30 September 2013	-	-	-	-	-
Charge for the period	79,729	7,388	11,877	34,239	133,233
On disposals	(4,177)	-	-	-	(4,177)
At 31 August 2014	<u>75,552</u>	<u>7,388</u>	<u>11,877</u>	<u>34,239</u>	<u>129,056</u>
Net book value					
At 31 August 2014	<u>5,122,701</u>	<u>15,612</u>	<u>56,756</u>	<u>77,938</u>	<u>5,273,007</u>

BILLING BROOK SCHOOL ACADEMY TRUST
 (A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

15. STOCKS

	<u>Group</u>	<u>Academy trust</u>
	2014	2014
	£	£
Finished goods and goods for resale	2,594	2,594
	<u>2,594</u>	<u>2,594</u>

16. DEBTORS

	<u>Group</u>	<u>Academy trust</u>
	2014	2014
	£	£
Trade debtors	36,000	36,000
VAT recoverable	64,071	64,071
Other debtors	2,912	2,912
Prepayments and accrued income	299,213	299,213
	<u>402,196</u>	<u>402,196</u>

17. CREDITORS:
Amounts falling due within one year

	<u>Group</u>	<u>Academy trust</u>
	2014	2014
	£	£
Other loans	6,641	6,641
Other taxation and social security	44,069	44,069
Accruals and deferred income	33,153	33,153
	<u>83,863</u>	<u>83,863</u>

	<u>Group</u>	<u>Academy trust</u>
	£	£
Deferred income		
Resources deferred during the year	2,440	2,440
	<u>2,440</u>	<u>2,440</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

18. CREDITORS:
Amounts falling due after more than one year

	<u>Group</u>	<u>Academy trust</u>
	2014	2014
	£	£
Other loans	23,242	23,242

Amounts included in Creditors as Other loans relate wholly to a Salix loan transferred on conversion.

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NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS

Group	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	-	7,275	-	-	-	7,275
Restricted funds						
General Annual Grant (GAG)	-	1,411,038	(1,165,836)	(189,616)	-	55,586
Other DfE/EFA grants	-	13,655	(13,655)	-	-	-
Local authority grants	-	1,143,005	(1,111,739)	-	-	31,266
Pupil premium	-	51,862	(51,862)	-	-	-
Miscellaneous restricted	-	63,377	(41,043)	-	-	22,334
Teacher training	-	5,802	(5,802)	-	-	-
Transfer from LA	-	561,862	-	-	-	561,862
School Fund	-	60,642	(38,059)	-	-	22,583
Pension reserve	-	(783,000)	(17,000)	-	(249,000)	(1,049,000)
	-	2,528,243	(2,444,996)	(189,616)	(249,000)	(355,369)
Restricted fixed asset funds						
DfE/EFA capital grants - spent	-	9,940	-	-	-	9,940
DfE/EFA capital grants - unspent	-	282,813	-	-	-	282,813
Capital expenditure from GAG	-	-	(4,670)	189,616	-	184,946
Transfer from LA	-	5,289,136	(211,015)	-	-	5,078,121
	-	5,581,889	(215,685)	189,616	-	5,555,820
Total restricted funds	-	8,110,132	(2,660,681)	-	(249,000)	5,200,451
Total of funds	-	8,117,407	(2,660,681)	-	(249,000)	5,207,726

The specific purposes for which the funds are to be applied are as follows:

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period.

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19. STATEMENT OF FUNDS (continued)

Restricted general funds will be used for educational purposes in line with the Academy's objectives and its funding agreement with the EFA.

Restricted fixed asset funds amounting to £5,273,007 will be reserved against future depreciation charges.

Unspent grants totalling £282,813 will be spent on capital projects in the next financial year.

The individual academy trust statement of funds is as set out above with the exception that the school fund restricted funds of £22,583 at 31 August 2014 are not included. These represent the Billing Brook School funds which fall under a separate charity registration.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
Tangible fixed assets	-	-	5,273,007	5,273,007
Current assets	7,275	800,736	282,813	1,090,824
Creditors due within one year	-	(83,863)	-	(83,863)
Creditors due in more than one year	-	(23,242)	-	(23,242)
Pension scheme liability	-	(1,049,000)	-	(1,049,000)
	<u>7,275</u>	<u>(355,369)</u>	<u>5,555,820</u>	<u>5,207,726</u>

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21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £
Net incoming resources	5,456,726
Returns on investments and servicing of finance	(385)
Fixed assets transferred on conversion	(5,289,136)
Cash transferred on conversion	(595,065)
Depreciation of tangible fixed assets	133,233
Deficit on disposal of tangible fixed assets	82,452
Increase in stocks	(2,594)
Increase in debtors	(402,196)
Increase in creditors	77,222
Pension deficit transferred on conversion	783,000
Loan inherited on conversion	33,203
School fund bank balance transferred on conversion	(37,853)
FRS 17 adjustments	17,000
Net cash inflow from operations	<u><u>255,607</u></u>

22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £
Returns on investments and servicing of finance	
Interest received	<u><u>385</u></u>
Capital expenditure and financial investment	
Purchase of tangible fixed assets	<u><u>(199,556)</u></u>
Financing	
Repayment of loans	<u><u>(3,320)</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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23. ANALYSIS OF CHANGES IN NET FUNDS

	30 September 2013 £	Cash flow £	31 August 2014 £
Cash at bank and in hand:	-	686,034	686,034
Debt:			
Debts due within one year	-	(6,641)	(6,641)
Debts falling due after more than one year	-	(23,242)	(23,242)
Net funds	<u>-</u>	<u>656,151</u>	<u>656,151</u>

24. CONVERSION TO AN ACADEMY TRUST

On 1 December 2013 Billing Brook School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Billing Brook School Academy Trust from Northamptonshire County Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	5,143,000	5,143,000
- Other tangible fixed assets	-	-	146,136	146,136
Budget surplus/(deficit) on LA funds	-	595,065	-	595,065
LGPS pension surplus/(deficit)	-	(783,000)	-	(783,000)
Borrowing obligations	-	(33,203)	-	(33,203)
School fund account balance	-	37,853	-	37,853
Net assets/(liabilities)	<u>-</u>	<u>(183,285)</u>	<u>5,289,136</u>	<u>5,105,851</u>

The above net assets include £595,065 that was transferred as cash.

**NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS

The group's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Northamptonshire County Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The group is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the group has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The group has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2014 was £164,000, of which employer's contributions totalled £131,000 and employees' contributions totalled £33,000. The agreed contribution rates for future years are 32.1% for employers and between 5.5% and 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

As described in note 24 the LGPS obligation relates to the employees of the group, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the

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25. PENSION COMMITMENTS (continued)

group at the balance sheet date.

The group's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	6.40	424,000
Bonds	2.90	114,000
Property	4.50	42,000
Cash	3.30	18,000
Total market value of assets		<u>598,000</u>
Present value of scheme liabilities		<u>(1,647,000)</u>
(Deficit)/surplus in the scheme		<u><u>(1,049,000)</u></u>

The amounts recognised in the Balance Sheet are as follows:

	2014 £
Present value of funded obligations	(1,647,000)
Fair value of scheme assets	<u>598,000</u>
Net liability	<u><u>(1,049,000)</u></u>

The amounts recognised in the Statement of Financial Activities are as follows:

	2014 £
Interest on obligation	(43,000)
Expected return on scheme assets	21,000
Current service cost	<u>(126,000)</u>
Total	<u><u>(148,000)</u></u>
Actual return on scheme assets	<u><u>36,000</u></u>

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25. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2014 £
Opening defined benefit obligation on transfer	1,181,000
Interest cost	43,000
Contributions by scheme participants	33,000
Actuarial Losses	264,000
Current service cost	126,000
	<hr/>
Closing defined benefit obligation	<u>1,647,000</u>

Movements in the fair value of the group's share of scheme assets:

	2014 £
Opening fair value of scheme assets on transfer	398,000
Expected return on assets	21,000
Actuarial gains	15,000
Contributions by employer	131,000
Contributions by employees	33,000
	<hr/>
Closing fair value of scheme assets	<u>598,000</u>

The cumulative amount of actuarial gains and losses recognised in the Consolidated Statement of Financial Activities was £249,000 losses.

The group expects to contribute £169,000 to its Defined benefit pension scheme in 2015.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2014
Discount rate for scheme liabilities	3.70 %
Expected return on scheme assets at 31 August	5.50 %
Rate of increase in salaries	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2014
Retiring today	
Males	22.3
Females	24.3
Retiring in 20 years	
Males	24.0
Females	26.6

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25. PENSION COMMITMENTS (continued)

Amounts for the current period are as follows:

Defined benefit pension schemes

	2014 £
Defined benefit obligation	(1,647,000)
Scheme assets	598,000
Deficit	<u>(1,049,000)</u>
Experience adjustments on scheme assets	<u>15,000</u>

26. OPERATING LEASE COMMITMENTS

At 31 August 2014 the group had annual commitments under non-cancellable operating leases as follows:

	2014 £
Group and Academy trust	
Expiry date:	
Between 2 and 5 years	<u>12,000</u>

27. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

Bower Property Services is a business in which the husband of Mrs C M Grant (a trustee of the academy trust) is the proprietor.

The academy trust procured repairs and maintenance services from Bower Property Services totalling £5,103 during the period. There were no amounts outstanding at 31 August 2014.

Bower Property Services provided all services to the academy trust at no more than cost price, following procurement practices in accordance with financial regulations, which Mrs C Grant neither participated in, nor influenced.

In entering into the above transactions, the trust has complied with the requirements of the EFA's Academies Financial Handbook.

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28. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.